



# Feeding<sup>the</sup>Planet

EU Agri-Food & Biotech Clusters on the World Stage



## Country Report: Chile

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## The project

Co-funded by the European Commission and coordinated by Lombardy Region, EU clusters Parco Tecnologico Padano (Lombardy - Italy), Agropolis International (Languedoc-Roussillon – France) and Oost NV (Food Valley Wageningen – The Netherlands), Feeding the Planet aims at promoting and commercializing the cluster expertise in the field of agricultural/breeding/food R&D (including health and nutrition), either through bilateral agreements and contracts or through calls from international organizations and governmental agencies and large foundations/charities. “FTP” also wishes to develop business opportunities and partnerships at international level in the agro-food sector, to the benefit of innovative and biotech-based enterprises, innovative research centers and food companies/SMEs.

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## The framework

The “Feeding The Planet” mission to Chile aimed at offering to the Chilean Food sector the expertise through direct provision of services or bidding for national and international calls by EU cluster managers, as well as building business partnerships among European and Chilean High Educational Institutes, Universities, R&D organizations, companies and business/farming organizations.

Networking activities were carried out mainly to reach the main institutional players, with a cluster-to-cluster approach, presenting Feeding the Planet project and cluster organizations.

Long term objectives, on the other hand, ranged from setting up cooperation and joint activities in agrofood sector to supporting further development of new innovative r&d projects.

## The methodology

Chilean Mission was planned and organized together with EuroChile Foundation, under the framework of a specific collaboration agreement.

EuroChile Business Foundation is a private, nonprofit organization created by the State of Chile and the European Union in 1992, with the aim of promoting economic, trade and technological cooperation between businesses and institutions both in Chile and the European Union.

Under the framework of Feeding the Planet initiative, the cooperation is based on the common purpose to develop business opportunities and partnerships in the agro-food and biotechnology sector, to the benefit of innovative and technology-based firms, and innovative food companies located in Chile and in the three European clusters. Concrete actions are also foreseen in order to boost to the promotion and commercialization of the clusters’ expertise in the field of agricultural/breeding food R&D (including health and nutrition) either through bilateral agreements and contracts or through calls from international organizations and agencies and large foundations/charities.

Under this light has to be seen the signature of an operative agreement for the implementation of the “Feeding the Planet” project in Chile, with the main objective to act as a “bridge” between Europe and Chile itself

## The Context

Chilean agricultural sector is maintaining a constant process of modernization and progress since 1980s, thus gaining, despite being far from major commercial circuits, an international recognition for the quality of its products and services. The number of farms and agricultural plants has been constantly growing in the last decades, in parallel with the quality of the production, above all in the fields of wheat, fruit, wine and dairy products. Chilean export was strongly boosted as well, while imports mainly focus on meat and cereals.

Internal and external (access to foreign markets) networks have been boosted, especially from the point of view of small-medium scale producers, and special attention has been devoted to sustainability of productions.

The total number of Chilean farms is 301.736, covering an area of 18.473.127,9 ha devoted to agricultural, livestock and forestry use. The 82,6% of farms is larger than 1.000 ha. Agriculture is also the industry that generates the highest employment in Chile: 740.000 annual jobs, meaning a share of 11.2% of the country's total workforce.

Agriculture contributes to a share of 3.5% to the global Chilean GDP. Considering also the supply chain of agriculture, together with livestock and forestry, the percentage rises to 13% of GDP.

Among the most important production wheat has to be mentioned, with its 1.575.822 tons per year. In general, since the last decade productivity in yield per hectare has consistently improved.

Agricultural areas certified as organic have grown significantly in the last few years, reaching 15.521 ha. 600 farms are labeled as organic, meaning a total area of 125.983 ha including also grassland, natural vegetation and native forests.

Also the area planted with fruit has grown by 32.5% in the last decade, reaching 285.161 ha and leading to a strong presence in international markets.

Chilean wine production has gained more and more importance as well, this also due as mentioned above to the broad range of aero-climatic conditions of the country that allow for a substantial diversity in the country's production. Wine grape producers are more than 14.000, wineries nearly 150 with a total production of 10,1 million hectoliters.

A wide variety of vegetables is grown throughout the country, both in greenhouses and open air, covering 90.000 ha annually. Corn, lettuce, tomato, pumpkin and onions own the highest shares. Concerning meat, pork and poultry are the most important productions with respectively 594.000 and 498.000 tons per year. Dairy industry is expanding as well, with its 2.530 million liters per year (4.865 liters per year per cow).

In addition, Chilean beekeeping has grown significantly in the last decade, reaching a number of more than 454.000 hives, 92% of which are modern with movable frames.

In conclusion, also Chilean export underwent a huge boosting process in the last decade, reaching a global value of 12.315,5 M\$ and a balance of 8.429,2 M\$. 56,7% of export is agricultural, followed by forestry at 35.1% and livestock by 8,2%. The main trading partners are located in EU, USA and Mercosur area, while the main economic zones involved are Nafta, APEC and EU. On the other hand, the majority of trade agreements are signed with Central America and Panama, alongside with South Korea.

## The opportunities

Among the most important specialization areas, interesting perspective has been identified in the following sectors:

### Fruit

Chile is gradually gaining a strong position as market-leader worldwide, with strong investments on processing technologies as traceability and phytosanitary applications. Under these domain, the demand for new technology and applications is high and opens interesting spaces for EU players. Total planted area and fruit production grew of over 30% in the last decade, a considerable expansion for a sector that has reached its full maturity. Chilean fruit is now internationally recognized as a leader in the industry; as well as retaining its position as the largest exporter of fresh fruit in the southern hemisphere, it is also the leading exporter of table grapes and blueberries worldwide, the world's second largest exporter of avocados, and the world's third largest exporter of cherries, plums and kiwi fruit.

### Wine

Chilean viticulture and viniculture represent quite an unicum, since they operates under a broad range of climatic conditions, allowing for substantial diversity in the country's production.

There are more than 14,000 wine grape producers, and nearly 150 wineries, which produced a total of 10.1 million hectoliters of wine in 2009. This scenario is constantly growing, both in terms of quality and volumes, thus representing one of the most interesting sectors: potential synergies range from certification and quality assessment to production technologies.

### Vegetables

A wide variety of vegetables are grown throughout the country, both in greenhouses and in the open air, covering a area of around 90,000 hectares annually. Production of vegetables is intended both for domestic and international markets, for both fresh consumption as well as for the agro-industry. Again the heterogeneous climatic conditions of the country allow for year-round product availability. The early harvests in the north of Chile obtain the best prices on the home market. The central zone, where most production is concentrated, provides the market with a large variety and supply of products. The southern zone has climatic conditions that make it well-suited for some vegetable crops, providing local markets with a plentiful supply at certain times of the year. This is an extremely interesting scenario, since the potential range of needed technologies and applications is huge.

### Meat

The production of meat has grown constantly in the last decade, first of all pork which has seen the largest growth over the past ten years, with an annual growth rate of 6.7%. This can be mainly attributed to an increase in exports, with the most important markets being South Korea and Japan. Poultry meat is the most consumed in Chile, accounting for 45% of total meat consumption, with an average consumption of 33.3 kilos per capita in 2010. The average consumption of beef per capita was 23.7 kilos, with an annual growth rate of 0.3% from 2000 to 2010.

## Beekeeping

Beekeeping has grown significantly, mainly in the production of honey but also in terms of colonies of bees.

Strong innovation took place in terms of hives and breeding technology, leading to the production of 7,000 to 11,000 tons of honey (the leading beekeeping product) per year. It is mainly exported to EU countries, with an average of 30 mln dollars revenue per year. The development of export partners for Chilean honey over the last few seasons has consolidated Germany's position as the most important destination, followed by France and Luxembourg.

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## The Mission

### Agenda

- 2.11.2013 Arrival and transfers.
- 3.11.2013 Meeting with EuroChile foundation President.
- 4.11.2013 Workshop at EuroChile Foundation.  
Meetings with EU delegation in Chile, Ubifrance Chile, French-Chilean Chamber of Commerce, Italian Embassy, Italian Chamber of Commerce in Chile, Chilean-Dutch chamber of Commerce, Conicyt (National Commission for Science and Technology), Fondecyt (National Fund for Scientific and Technological Development), Fondef and SNA (National Society of Agriculture).
- 5.11.2013 Meeting with ODEPA (Office for Agrarian Studies and Policy), and CORFO.  
Visit to National Institute for Agronomical Research "La Platina".  
Meeting with FIA (Agrarian Innovation Fund) and StartupChile.
- 6.11.2013 SEMINAR: CHILE and EUROPE, A COMMON STRATEGY FOR FOOD PRODUCTION.
- 7.11.2013 Visit to CEAF (Advanced Studies for Fruit Production) and Los Vascos Vinery.
- 8.11.2013 Departure.

### European companies that joined the mission

- FTNON - Manufacturer of food processing equipment for different product groups from individual machines to fully integrated lines.
- Bioclear - Innovative solutions that make the world cleaner, more sustainable and safer by using the power of nature.
- Pherobank - Provider of insect pheromone systems and applications.
- Wageningen University & Research Centre - Co-innovation and problem solving in the field of Applied Plant Sciences and Agrotechnology & Food Sciences.
- Nyseos - Wine industry– Aroma analysis and consulting.
- Qualiplante - Molecular diagnostic tools for the detection of plant disease.
- Ipadlab - Laboratory for plant certification and quality control.
- CartonSpecialist - Innovative eco-friendly food packing.

## Achievements

The main aim of Feeding the Planet mission to Chile was to start the dialogue and cooperation with the main local players, a preliminary analysis intended to find out the main features of Chilean agrofood and agrobiotech scenarios.

What emerged was that Chilean agriculture and Chilean market show an extremely high level of differentiation and complexity. However, it is also true that Chile is gaining more and more an important role on a broader scenario, gaining trust and consideration worldwide.

Chilean institutions are now undertaking the process of redesigning own policies and development strategies, with an increasing number of opportunities offered by the countries in terms of cooperation activities. The main sectors in which Chile is planning huge investments are energy, education and biology. It is in Biology sector that Feeding the Planet project can be seen as an initiative that could pave the way to strong cooperation among Chile and EU. We can indeed consider agriculture and food safety as major activity areas with a huge potential in terms of R&D and business opportunities.

The cooperation agreement signed with Eurochile Foundation has to be seen under this light, as a concrete tool that, through further Feeding the Planet consortium actions, will allow EU players to enter this interesting and diversified market and access a wide range of opportunities and potential synergies.

Do you need more information, or have specific questions about Feeding the Planet upcoming missions and activities?

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